

The American Observer

A free, virtuous, and enlightened people must know well the great principles and causes on which their happiness depends.—James Monroe

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Wartime Industrial Expansion Surveyed

Bulk of New Plants Located in Areas Which Were Already Most Industrialized

WEST DETERMINED TO KEEP GAINS

Efforts Are Under Way to Maintain Steel Mills and Other New Productive Assets

With the nation's productive machinery geared to a one-war level, we are beginning to face on a small scale many of the problems which will be magnified when the Pacific war ends. The peak of war production has been passed, and many of the factories which were turning out the weapons of war have been reconverted to peacetime production. Because this transition from a war economy is gradual, few shocks or dislocations have appeared. But, unless wise policies are adopted, the dislocations will be severe when final victory is achieved.

Government agencies as well as private individuals and organizations are now giving serious thought to some of these problems—problems relating to the disposal of war plants built or financed by the government, to the concentration of industrial power in certain geographical areas and in gigantic corporations, to the future of small businesses, and so on. How these problems are dealt with will determine the course of American economic history for many years to come.

Economic Changes

The war itself has wrought profound economic changes in this country. One of the most significant of these is the concentration of war industries in a few geographical areas. Contrary to popular belief, the plants which have been built to turn out the instruments of war have not been widely distributed throughout the entire country. It is true that some boom towns have sprung up, but these are the exception rather than the rule. For the most part, the war plants have been erected in those sections which were highly developed industrially before the war.

A few days ago, the War Production Board made public, for the first time, full details of the geographic distribution of these wartime manufacturing plants. The reason for this concentration is not difficult to find. Inasmuch as speed was the major consideration, the new plants had to be built in areas where adequate facilities for production were available—facilities such as labor supply, materials, transportation, electric power, housing. In many instances existing plants could be expanded to meet the needs.

According to the WPB report, from July 1940 to May 1944, the nation added 13,126 plants (new, expanded, or converted) valued at more than \$20 billion to its manufacturing capacity. Of this sum, more than three-fourths

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Steel produced in a western mill

A Creed of Tolerance

By Walter E. Myer

(Reprinted by request from The American Observer, February 22, 1937)

How many of the readers of this paper can truthfully and thoughtfully subscribe to the following creed of tolerance?

"I am not a middle-of-the-roader. I take sides on many controversial issues because I have convictions. I realize that I may often be on the wrong road. I know that what I believe to be right may not be right, but I cannot wait for certainty. No one can. I am under obligation to act in the interests which seem best to me, and act I will. But realizing the possibility of error, I will be ever on the watch to see if my views need correction and if my course needs to be changed. I understand that progress comes only if I discover new bits of truth, only if I keep correcting my position and if I continue to discard wrong impressions in the light of new knowledge. I know how difficult it is to strive enthusiastically for goals which may have to be shifted, but I am convinced that by such a process, and by no other, can we come closer to the truth.

"Since useful living is so much a matter of trial and error, it is important that there be as much freedom as possible in the trials. It is important that the search for truth should be unhampered. I demand for myself the right to act in accordance with my present beliefs, even though I know they may eventually be changed. I accord the same privilege to others. I believe in the right of free speech guaranteed by the Constitution of the United States. I will never give support to any effort to deny to any man the privilege of speaking merely because his views are diametrically opposed to my own.

"Not only will I sustain the right of those whom I oppose to be heard, but I will listen respectfully to opposing views. I will not listen indiscriminately. If my reasoned judgment tells me that a certain contribution is not worthy of my time, I will ignore it, but I will question such a decision with searching honesty to make sure it is based upon reason and not upon prejudice. Once in a while in the quiet of my own thinking I will examine the arguments for causes I most intensely oppose to see whether there may be more truth in them than I had supposed. I will try very hard not to deprive myself of any advantages which come from the possessions of truth. I will not turn my face definitely against unpopular ideas until I have become convinced of their falsity. And all the while I will keep my face to the front, working untiringly for those principles which seem to me to be worthy of my support."

If you can make such a declaration you will be on the road to a sound education. Incidentally, you will be setting yourself off from the prejudice-ridden herd.

Congress Approves Bretton Woods Pact

United States Is First Nation to Ratify Plan for Monetary Fund and World Bank

AIM IS TO REDUCE ECONOMIC WAR

Most Important Feature of Setup Is Fund Designed to Stabilize World Money Systems

The action of the Senate a few days ago in completing congressional approval of the Bretton Woods proposals for an International Bank and an International Monetary Fund has been widely hailed throughout the nation. It is viewed as a sign that Congress and the nation mean to implement the United Nations Charter. It is one more favorable indication that we intend not only to prevent political wars, but that in addition we are prepared to discourage the economic warfare which plays so large a part in causing military conflicts.

As this is written the Senate is preparing to give final consideration to the United Nations Charter itself. There is not the slightest doubt that the Charter will secure approval; indeed, it is freely predicted that no more than half a dozen senators will defy public opinion and vote against the document. But the very fact that opinion has swung so strongly in favor of international cooperation as symbolized in the Charter is disquieting to those who are most ardent supporters of internationalism.

They point out that the Charter is only the first step in international cooperation. To assume that its approval means the final victory for world cooperation would be to mistake one battle for the whole campaign. If the Charter succeeds in its aims, it must be made continuously effective through scores of concrete actions by all nations.

Tasks Ahead

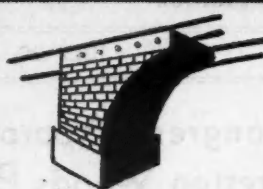
For example, even after the United States ratifies the Charter it will have two important decisions to make about the new security organization. Another treaty must pass the two-thirds majority hurdle in the Senate to determine what armed forces and facilities the United States will make available to the proposed international police force. In addition, a majority vote in both houses of Congress must decide what powers and authority the United States delegate on the Security Council will have.

But the question of economic implementation is equally important. It is quite possible for a nation to go internationalist politically and yet remain economically isolationist. That is why the brief but vigorous debate in the Senate on Bretton Woods was watched so closely, for it offered a much more realistic test of isolationist sentiment than did the discussion of the United Nations Charter.

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BRETTON WOODS WOULD SET UP...

...AN INTERNATIONAL BANK...



... FOR RECONSTRUCTION
AND DEVELOPMENT...



... WITH A CAPITAL OF
\$9,100,000,000 OF WHICH
U. S. WOULD SUBSCRIBE
\$3,175,000,000.



THROUGH THIS BANK,
MEMBERS COULD SECURE
LOANS FOR POSTWAR
REHABILITATION.

...AN INTERNATIONAL MONETARY FUND...



... WHICH IS A POOL OF GOLD
AND CURRENCY FROM MEMBER
NATIONS...



... OF WHICH U. S. WOULD
SUBSCRIBE \$2,750,000,000.



THIS FUND WOULD KEEP
WORLD TRADE IN BALANCE BY
STABILIZATION OF MEMBER
NATIONS' CURRENCY.

World Bank and Money Fund

(Concluded from page 1)

So far the outlook is favorable as far as the United States is concerned. Lend-lease has been approved for another year. The reciprocal trade program has been extended for three years, with permission for additional reductions of 50 per cent in tariff rates in return for similar concessions from other countries. And finally, the Bretton Woods program has secured strong support in Congress, making possible close economic collaboration during the postwar period and paving the way for the political cooperation embodied in the United Nations Charter.

It should be remembered, however, that the United States is the first government to accept the Bretton Woods pact. Before the plan can operate successfully it must be accepted also by the other world powers, and in Great Britain, at least, it faces tough sledding.

So important are the Bretton Woods proposals and so little are their technicalities understood by the average man that it is worth reviewing their main provisions. These proposals were drawn up by a 44-nation conference held just a year ago at Bretton Woods, New Hampshire. They represent a compromise based on dozens of plans advanced by representatives of the various nations, but particularly on an American plan formulated by Harry D. White, now assistant secretary of the treasury, and a British plan devised by Lord Keynes of the Bank of England. The proposals envisage two international agencies—a Bank and a Monetary Fund—designed to encourage and stabilize world trade.

The International Bank for Reconstruction and Development—to use its full name—has been described as a sort of "World Reconstruction Finance Corporation." As its name indicates

its purpose is two-fold: to aid in the repair of war damage and to encourage the expansion of production and trade. It will not compete with private banks and lending agencies; rather, it will supplement these institutions and handle loans which they cannot or will not accept. It can carry on this business either by guaranteeing loans made through private lenders, or by making loans from its own capital.

All told the bank will have resources totaling \$9.1 billion, contributed by the member nations according to their size and financial strength. Only about \$2 billion of this sum need be put up at the present time; the rest will be called for if needed. Because it is by far the dominant financial power of the world, the United States will put up the largest share. Its total quota is \$3,175 million. In controlling the bank we will have a similar high stake, for our representative on the bank's board of governors can cast 31.4 per cent of the votes—as many as Britain, Russia, and China combined.

Here, in brief, is an example of how the bank might operate. Let us suppose that a private shipping corporation in Belgium wished to repair docks and shipping facilities in Antwerp, but found that the banks in London or New York could not lend money for the project except at very high rates of interest because of the risks involved.

The shipping officials then would present their problem to the Belgian government, which in turn would consult the International Bank. The latter would investigate the project and if it found that it was sound and beneficial it would agree to guarantee the loan. The Belgian government would also be required to give its guarantee, and then the foreign investment bank

in London or New York would be able to make the loan at a lower rate of interest. The shipping company would pay interest to the private bank, and it would also pay to the World Bank a commission which would go into a special reserve fund to cover losses.

If the shipping firm should fail and be unable to pay back the loan, the Belgian government would be responsible. If it also defaulted, the International Bank would then make good, taking the money from its reserve. If the original reserve of about \$2 billion should become exhausted, the bank would then assess each member in proportion to the member's quota, and it could keep on doing this until the maximum limit of \$9.1 billion had been reached. The commitments of the bank cannot exceed that figure.

The bank may also make loans to governments for construction of dams, hydro-electric projects, harbors, and other similar projects which serve the general welfare.

It is not the bank, however, but the Monetary Fund which is considered the heart of the Bretton Woods plan, and it is this fund which has occasioned the most discussion and misunderstanding. That is in the nature of things, for the bank will operate along familiar and well-established lines, while the fund is in many respects an innovation.

Briefly stated, the fund is a device to stimulate world trade by providing world businessmen with enough of the kinds of currency they need to settle their trading accounts. It will be a pool of currency and gold, put up by the member nations on the basis of quotas, just as in the case of the bank. The United States will contribute \$2,750,000,000. This represents 31 per cent of the \$8.8 billion of the total

fund, and we will have voting strength on the fund's board of governors on approximately that same ratio.

Let us see how the fund will operate. Suppose that after the war Great Britain imports from the United States more goods than she exports to us (which is quite probably what will happen). In time British businessmen will find it difficult to get enough American dollars to pay for their imports because the balance of trade is in our direction and we will be constantly accumulating British pounds in exchange for the excess balance of goods we send Britain. The British will correspondingly suffer from a lack of dollars.

Under such circumstances the temptation is strong for the British government to devalue the pound in relation to the dollar. At present one pound is worth about \$4—that is, an American businessman must pay \$4 to get one pound with which to pay debts in England. Now if the British government lowers the price of, or devalues, the pound to \$3, then obviously American importers will be able to buy more pounds with a given amount of money. With \$100 they can buy approximately 33 pounds instead of 25 pounds, and they will therefore be able to buy a third more goods from Britain with \$100 than was formerly the case.

Temporarily this plan would work to England's favor, for it would permit Americans to buy more goods in Britain since the price (in dollars) would have become cheaper. Similarly, American goods would become more expensive in terms of pounds, so that we would sell less goods to Britain. But in the long run such a scheme fails, because other countries, wishing to retain their trade advantage, retaliate by devaluing their currencies also. They also raise high tariffs to keep out foreign goods.

Now the purpose of the International Monetary Fund is to provide, on short term, the dollars and pounds and francs and rubles and guilders which world businessmen need to carry on their commerce. Thus, if Britain finds herself running low on dollars which British importers need to pay their debts to American businessmen, instead of devaluing its currency the British government can apply to the fund for dollars (in exchange for pounds) to help tide over the emergency. Then when the balance of trade has righted itself, Britain can buy back its pounds with dollars. Only with special permission from the fund and under definite limits could England devalue its pound to restore the trade balance. Therefore the effect of the fund will be to stabilize the value of world currencies in relation to each other and to prevent the currency manipulations which brought economic chaos after the last war.

To enjoy the privileges of membership in the fund, each nation must pledge itself not to devalue its currency without permission. In addition it must supply constant information to the fund about its trade, gold production, prices, national income, and so on. With this information the fund officials will make continuous study of obstructions to world trade and carry on consultation among the nations about methods of removing these obstructions. It is hoped particularly that over a period of years there will be a gradual reduction of world tariffs, for, like currency manipulations, tariffs are one of the major weapons of the economic warfare we are trying to reduce.

Manchuria—Prize of Far Eastern War

ON the night of September 18, 1931, between the hours of 10 and 10:30, an "incident" occurred on the South Manchuria Railway just north of Mukden, near a group of barracks occupied by Chinese soldiers. According to Japanese accounts—and there are no other accounts—a group of Chinese soldiers blew up a section of the track. The explosion was minor: the regular express from Changchun to Mukden arrived on time at 10:30, without having been harmed, even though it was alleged to have passed over the damaged track. But according to the Japanese there was fighting between the Chinese soldiers and Japanese railway guards.

Minor as it seems and fictional though it may be, that "incident" marked the real beginning of World War II. Whether the Japanese trumped up this incident, as is widely believed, or whether the incident was "staged" by Japanese agents, or whether the Japanese were merely waiting for a pretext does not really matter. What does matter is that Japanese troops went into action immediately, moving into Manchuria from Korea before midnight. By dawn the Chinese barracks and arsenal at Mukden had been taken. The Chinese did not resist, and within four days all southern Manchuria had been occupied.

What happened later is history. Since Japan had pledged herself at the Washington Naval Conference in 1922 to respect the territorial integrity of China, and since Manchuria in 1931 was nominally part of China, the League of Nations sent a commission headed by Lord Lytton to investigate the affair. When the Japanese learned in the fall of 1932 that the Lytton Report would show them guilty of aggression, they quickly set up an "independent state" in Manchuria which they named Manchukuo. Shortly thereafter they deserted the League—the first major power to do so—and began to extend their conquest into North Manchuria and into China proper. The bitter Sino-Japanese War (No. 2 of that name) which followed brought Inner Mongolia and parts of north China—as well as all of Manchuria—into Japanese hands, and World War II was well on its way.

Today it seems quite possible that this greatest of all wars may end exactly where it started 14 years ago—in Manchuria. Some observers believe that the terrific pounding Japan is now taking from our planes and naval guns will speedily force her to her knees and make her surrender to prevent complete destruction—and it is generally thought that the next few weeks will determine whether this view is correct. But there are many other observers—including General Stilwell, who knows the East Asia situation as well as any other American fighting man—who are strongly convinced that aerial attacks will no more bring surrender in Japan than they did in Germany, and that we shall have to carry the fight to the enemy man to man. And among those who hold this belief, there are many who say that if the Japanese are defeated in their home islands they will retreat to Manchuria with their government and their army, and continue resistance to the bitter end on the Asiatic mainland.

But even if Manchuria should never



Street scene in Mukden, Manchuria

become a battleground again in this war, it is for other reasons of prime military importance. It is the heart of Japan's fortress on the mainland, and it is speedily becoming the main arsenal and industrial supply center for the Japanese war effort. For months the enemy has been transferring war industries to Manchuria to get them out of reach of our bombers and to take advantage of Manchuria's rich mineral resources. And it is the headquarters for an estimated 35 divisions of crack Japanese troops, forced to remain idle there as a check against the constant threat of attack from Russia.

In either war or peace Manchuria is a prize of tremendous value: it is wealthy in resources and its strategic location makes it the key through which a strong nation might control all eastern Asia. Geographically it has about one-sixth the area and one-third the population of the United States. Its extremes of climate are about like those in this country.

The southern section of this state is highly industrialized and boasts iron, coal, and copper mines. Among its important cities are the major port of Dairen; the naval base city of Port Arthur; Anshan, prime target for B-29's because of its steel mills; Fushun, which has the world's largest open-cut coal mine; and Mukden, which has increased in size so rapidly that it is now near the 3,000,000 mark.

The central section of Manchuria is an agricultural plains region which serves as Japan's breadbasket. Here are produced enormous quantities of soybeans, besides wheat, corn, rice, millet, and kaoling (a grain sorghum much used in the Far East). To the north is the frontier zone which borders on Mongolia and Russian Siberia. The mountain sides of this region are thickly covered with valuable timber.

Japan has exploited these resources to the full, so that in recent months Manchuria has accounted for a substantial part of Japan's total war production. It supplies a sixth of Japan's steel output, a third of the pig-iron capacity, half the coke, and a very important part of the food imports.

It seems unlikely that a region so richly endowed and so strategically located could avoid being a source of conflict among nations bent on imperialist designs, and the historical record bears out this view. For at least half a century Manchuria has been a cause for disputes among China, Japan, and Russia, and to a lesser extent Britain and France.

In the latter part of the 19th Century the sprawling, impotent nation of China was subjected to humiliating exploitation by the western European powers. Japan, which only recently had come out of medieval seclusion to accept western ways, was not slow to join in this process, and sought concessions and territory for herself.

Using trouble in Korea as the excuse for war, Japan quickly defeated China in the First Sino-Japanese War (1894-1895), and demanded as one of the fruits of victory possession of Manchuria's valuable naval port—Port Arthur.

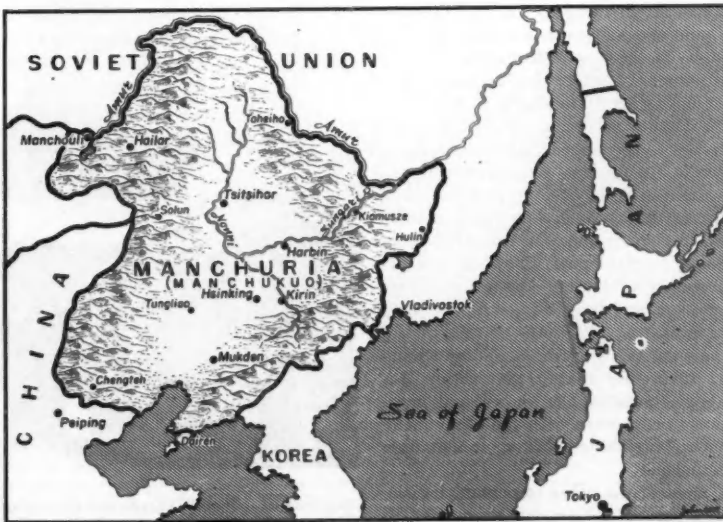
Japan was not allowed to keep this prize long, however. Russia had been coveting the port for herself as a warm water outlet to the Pacific, and with the backing of France and Germany she "persuaded" Japan to restore the port to China in exchange for an indemnity. Shortly thereafter a mad scramble began to secure long-term leases of Chinese ports—Germany got Kiaochow, Britain obtained Weihaiwei and Kowloon, France got Kwangchow Bay. And to the dismay of the Japanese, Russia stepped in and secured a long-term lease on Port Arthur.

That was in 1898. The next year saw the beginning of a series of violent outbreaks against foreigners in northern China, known as the Boxer Rebellion. The nations of Europe suppressed the revolt with great ruthlessness, and one of the results was that Russian troops overran and occupied the whole of Manchuria, which Russia desired to add to its Siberian possessions.

This action infuriated the Japanese even more, and led directly to the Russo-Japanese war of 1904-1905. After the Port Arthur incident of 1895, Japan had begun building up her army and navy, waiting a chance for revenge. In 1902, Britain, alarmed by Russia's expansion in Manchuria, was persuaded to sign a treaty of alliance with Japan directed against Russia and France. Strengthened by this alliance, Japan proposed to Russia in 1903 that if the Tsar's government would grant Tokyo a free hand in Korea, Japan would recognize Russia's economic and political control over Manchuria. When this offer was refused, Japan broke off relations with her opponent and the Russo-Japanese war ensued. The Russian army was defeated and the Russian fleet was destroyed. By the Peace of Portsmouth in 1905 Russia was forced to get out of Manchuria and transfer to Japan her lease on strategic Port Arthur.

And so was laid the basis for the triangular dispute over this key region of Manchuria. In the years which followed there were sporadic border incidents between Chinese and Russian troops, culminating in serious hostilities in northwestern Manchuria in the fall of 1929. A conference to settle this dispute was still pending when Japan occupied Manchuria. Since that time Russia has maintained constant pressure on Japan, and during the 1930's two bitter but undeclared wars were fought between the two nations at various points on the Manchurian border.

The future of Manchuria is not clear because Russia's intentions are not known. By the Declaration of Cairo, England and the United States have promised to return Manchuria to China, but Russia is not a signatory to that pledge. Protection of Vladivostok, a warm water Pacific outlet, and closer connection to the Chinese Communists are presumably all part of Stalin's program, and whether they will be realized through Manchuria only time will tell.



Manchuria occupies a strategic location

The Story of the Week

Tightening the Noose

In what American naval officials referred to as the "preinvasion phase" of the Pacific war, our military and naval might has been dealing the heaviest blows of the war upon the Japanese homeland. Great battleships of the United States and British fleets have been hurling shells into many of the coastal cities of Japan and destroying whatever units of the Japanese fleet came within range. At the same time, thousands of aerial assaults from carrier-based planes have been ravaging Japanese industries, planes, and railroads. To add to the fury of the assault and to the general destruction, land-based planes of the Army Air Forces have unleashed their loads of destruction. B-29's from the Marianas, together with medium bombers and fighters from Iwo Jima and Okinawa, have given the Japanese no respite for several weeks.

Staggering as these blows have been, they are but a prelude to the coming offensive upon the Japanese home islands. Such a mighty concentration of air and naval power is being gathered in the Pacific that it will be only a short time before some 3,000 planes daily can be sent out against Japan and continuous bombardment from the sea will be possible. Admiral Nimitz has declared that the present blows are designed to soften up the homeland for the invasion. "It is the aim of our forces fighting in the Pacific to achieve the invasion with a minimum of Amer-



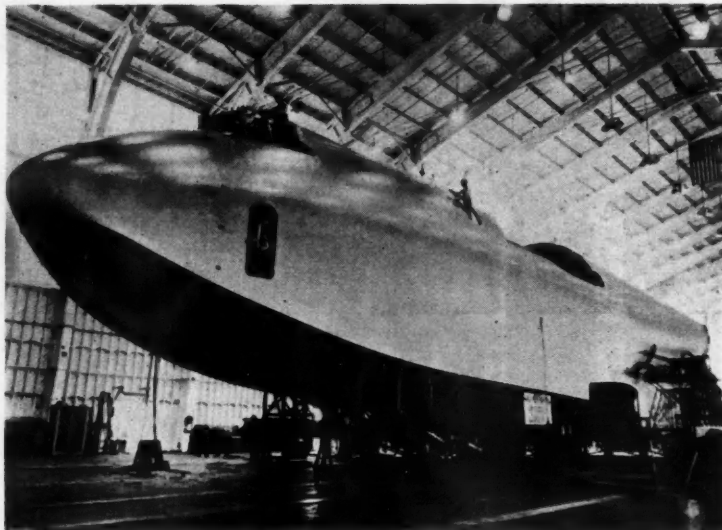
Head of the Women's Army Corps is Col. Westray Battle Boyce, who recently succeeded Col. Oveta Culp Hobby.

ican lives and material resources," he said.

While the Japanese seem helpless to offer effective resistance to these aerial and naval assaults, there is no reason to believe that the invasion will be an easy matter. The exact size of Japan's armies in the home islands is not known, although estimates place the number at 2,000,000, with an additional 1,000,000 in North China and Manchuria.

Diplomatic Offensive

Coupled with the increased tempo of military operations against Japan the United States is waging war on the diplomatic front designed to weaken the will of the Japanese people to continue resistance. In a broadcast to the Japanese, Navy Captain Ellis M.



The Hughes Hercules, world's largest seaplane, is expected to be completed by next January at Culver City, California. The all-wood plane, powered by eight 3,000-horsepower engines, weighs more than 200 tons. The hull's capacity is equal to that of two railroad cars, and will be able to carry 750 fully equipped soldiers nonstop from Honolulu to Tokyo.

Zacharias warned them to quit now. Failure to do so, he said, would result in the "virtual destruction of Japan, followed by a dictated peace."

Captain Zacharias addressed his warning to the Japanese as an "official spokesman of the United States government." He told them that only unconditional surrender could bring about peace and prosperity for Japan and reminded them of the "attendant benefits as laid down by the Atlantic Charter."

Meanwhile, rumors of peace feelers and peace negotiations continue. Although these rumors have been consistently denied by officials of our government, there are indications that certain influential Japanese interests are seeking a way to end the war. These rumors have been coupled with reports that our government will define more specifically the terms of surrender it will offer. While still adhering to the unconditional surrender formula, President Truman or some other high-ranking government official might "clarify" the formula and thus hasten Japanese acceptance.

Longest Vacation

For the first time since the outbreak of the war in Europe, Congress is taking a long vacation this summer. The House adjourned July 21, until October 8, and the Senate was expected to adjourn as soon as it had approved San Francisco Charter. Inasmuch as there is only slight opposition to the pact, the Senate adjournment date was expected to be no later than August 1.

The outstanding contribution of the present session of Congress has been the initial steps it has taken toward world cooperation. In addition to the San Francisco pact, Congress has approved the Bretton Woods monetary program and the food and agricultural organization which was drafted at Hot Springs, West Virginia, in the spring of 1943. By taking this action, the present session has shown a disposition to cooperate with the other members of the United Nations in a number of fields.

Most of the other important legislation passed during the seven months of continuous sessions consisted of

extension of laws already on the statute books, such as price control and selective service. It also voted to continue the reciprocal trade agreements program. Among the pieces of "unfinished business" were the presidential succession act, establishment of a permanent Fair Employment Practices Committee, authority to reorganize the government, and liberalized unemployment benefits.

Monarchy in Spain?

Considerable speculation has arisen over General Francisco Franco's address of July 17 in which he urged the restoration of a monarchy in Spain. Delivered on the eve of the national holiday which is the anniversary of the beginning of the Spanish civil war, the speech indicated that the Spanish leader favors a monarchy along the lines of the ancient regimes of his country. "I am not ignorant of the dangers of this step," he said, "but I am certain that this monarchy must have all the guarantees to incarnate our greatest monarchs." He urged the Spanish Cortes, or Parliament, to approve a plan which has been worked out for the restoration of a monarchy.

Franco's speech was followed by a shuffling of the Spanish cabinet. Al-

though certain members of the Falange Party were ousted, nearly half of the posts remain in the hands of the party. Monarchists were appointed to other positions.

Whether Franco's proposal will actually be carried out in the near future seems doubtful. For one thing, Franco insisted, in his address, that the Falange remain the leading political group in the country. The pretender to the Spanish throne, Don Juan, third son of Spain's last ruler, King Alfonso, has expressed strong opposition to the Falangists and has called upon Franco to resign.

Many people interpret Franco's latest move as an attempt to win support of the monarchists inside Spain. With the defeat of the Axis in Europe, opposition to the Franco regime has increased, both at home and abroad. It was in order to stifle such opposition, it is said, that this latest bid for support was made.

Reeducating Germany

The German people are already started on the long, hard road of reeducation which we hope will lead them to a democratic way of life. In the American zone of occupation, the propaganda program sponsored by the Army's Psychological Warfare Division and the Office of War Information has been in operation for two months now.

Films, newspapers, posters, and all other means of communication have been used to show the German people their guilt in precipitating the present war. The full horror of Nazi war methods has been brought to their attention. The record of concentration camp life has been thrust before them. Emphasis has been placed on the idea that these things are the primary fruits of a dictatorial and militaristic regime and that those who support such a regime are as guilty as those who actually frame its policies.

German reactions to our reeducation effort have been mixed. Many Germans are horrified by the atrocity pictures which confront them, but few feel personally responsible for the misdeeds of their leaders. Many are inclined to condemn their leaders for the military mistakes which brought Germany to defeat but not for the brutal tactics through which they won and held power. Army and OWI officials



Replicas of oriental villages are becoming a familiar sight at Fort Benning, Georgia. They provide the setting in which troops gain experience at close-quarter fighting—a skill which will be put to use in China or Japan before many months have passed.

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realize that it will take many years to root out the philosophy which prevailed in Germany under Hitler, but they feel that a substantial start has been made.

The Kamikaze

American forces in the Pacific have seen Japanese fanaticism at its grimmest in the Kamikaze, or suicide plane, assaults which now play a major role in the enemy strategy. Although a close censorship still conceals the full record of their destructive power, the Navy has admitted that more than 20 U. S. ships fell victim to the Kamikaze between March and July.

The Japanese introduced their suicide tactics last fall when Vice Admiral Masabumi Arima flew his plane into an American aircraft carrier, paying with his life for a direct hit on the

sure at last only because his vanity had been pricked by German slurs and his greed stimulated by the prospect of reaping rich booty from a German victory.

Ciano also reveals that even when Mussolini had committed his country to Hitler's military cause, the Italian dictator tried to play a double game. He betrayed his German partner by betraying Axis invasion plans to the Dutch, the Belgians, and the Russians.

Auditing Uncle Sam

Through such projects as the Tennessee Valley Authority and the Reconstruction Finance Corporation, Uncle Sam has been a practicing businessman for some time. The war emergency has steadily expanded his business activities until now government corporations number around 100.

These enterprises have, up to now, operated in a kind of legal twilight zone, without clearly defined status or responsibility. Financed by the federal treasury, they have gone their own way without benefit of close congressional supervision.

Now, however, they are slated for a day of reckoning. The George bill, which separated the functions of the Federal Loan Administrator from those of the Secretary of Commerce last winter, provides for a review of government corporations by the General Accounting Office and the presentation of a detailed report to Congress on their activities, profits and losses, achievements, and efficiency.

A staff of more than 1,500 public accountants is now being assembled by Comptroller General Lindsay C. Warren to do the vast auditing job.

Mobilizing Science

Through the Office of Scientific Research and Development, the United States government has mobilized the scientific brains of the country for war. This agency has brought together scientists of all kinds, businessmen, educators, and government officials in a program designed to use the nation's talents in making inventions to further the war. When the war is over, the OSRD will be abandoned.

Because of the excellent results of this wartime program, there is now a strong movement to establish a similar research council after the war. Several bills are now before Congress calling for such a program. One of these



This is the Army's new 75-mm. recoilless rifle which, for the foot soldier, is a 110-pound weapon equivalent to the 3,400-pound 75-mm. field artillery piece on a wheeled carriage. The new weapon has a telescopic sight, and fires a 14-pound high explosive shell for a distance of four miles.

proposals has been made by Senator Kilgore of West Virginia, chairman of the Senate Subcommittee on War Mobilization.

The Kilgore proposal would set up a National Science Foundation to oversee research by government agencies, industries, and private organizations. The Foundation would have charge of distributing funds for research in war weapons, public health and medicine, and in a number of scientific fields. Part of the money would be paid out directly to those working under the jurisdiction of the Foundation and part would be allotted to organizations, such as educational institutions and research foundations of various kinds, which are carrying on work along scientific lines.

Meanwhile, an issue has developed as to the use which shall be made in peacetime of the information of the scientists working under the OSRD. Many discoveries have been made under this program. Inventions which have played a vital role in winning the war can also be used for peacetime production. Shall these discoveries be made available to all concerns which wish to use them? Shall they be rigidly controlled by the government? There are some who feel that the

private companies which shared in the research should be given the patents on the inventions and thus exclusive right to use them for commercial purposes. Others take the position that the patents should be held by the government which would grant licenses to any company it wished, regardless of whether that company had shared in the research. This issue will have to be decided by Congress when it reconvenes in the fall.

NEWS QUIZ

1. Why were most of the new war plants erected in those sections which were highly developed industrially before the war?
2. Why does the West attach so much importance to the steel industry which was brought to them by the war?
3. Name a few of the leading industries which the West has gained as a result of the war.
4. True or false: "The West can never hope to challenge the industrial supremacy of the East."
5. Name the two international agencies which are proposed by the Bretton Woods plan.
6. In what way would one of those two encourage the repair of war damage and the building of new projects?
7. What are the "commodities" in which the second of the two agencies would deal?
8. Name the major nations which so far have accepted the Bretton Woods plan.
9. Briefly tell the uses to which Japan has put Manchuria.
10. What considerations seem to have influenced President Truman in making appointments to the cabinet?

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Recently arrived photographs, such as this one, tell more of the destruction visited upon Berlin in the last months of the European war



This is nine-year-old Jimmy Osborn, blind English boy, who has just arrived in this country through the efforts of the U. S. 9th Air Force. Attracted by Jimmy's unusual ability to play the piano, the airmen contributed a fund of \$3,200 with which to pay for his education in the United States.

ship. Since then, Japanese planes by the hundreds have been attempting to dive into our ships. When they succeed, the explosion which follows often sinks or cripples the ship struck.

But such damage as the Japanese have been able to do with their suicide squadrons has been unbelievably costly for them. Not only are successful Kamikaze planes and pilots destroyed; an estimated 90 per cent of the would-be suicide planes are picked off by Allied guns before they can dive. Others aim inaccurately and land in the water. Altogether, a very small percentage of the Kamikaze—Admiral Mitscher estimates that it is no more than two per cent—reach their goals.

Ciano's Diary

Official accounts of what went on in Mussolini's Italy have now been supplemented by a more personal record—the diary of Count Galeazzo Ciano. Ciano, Il Duce's son-in-law and Italy's foreign minister from 1936 to 1943, recorded his observations of the political life around him throughout his official career. After his execution in 1944, his wife, Edda, smuggled his diary out of Italy. Excerpts from it have recently appeared in the *New York Times*.

Of particular interest are the sections covering Axis intrigues between the start of the present war and Italy's attack on France. Ciano's diary reveals that Mussolini feared Hitler's strength and tried to avoid entering the war. He yielded to German pres-

Industry in War Time

(Concluded from page 1)

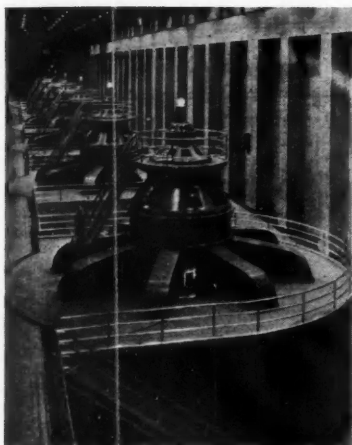
was supplied by the federal government and the balance by private investors. Approximately 93 per cent of the total expansion occurred in 179 previously existing manufacturing areas.

Before the war, the 451 counties making up these "previously existing manufacturing areas" had 84 per cent of all the nation's manufacturing wage earners and 81 per cent of the value of products. More than a third of the expanded facilities are located in 10 cities: Chicago, Detroit, New York, Philadelphia, Los Angeles, Houston, Pittsburgh, Cleveland, St. Louis, and San Francisco. Of the \$20 billion invested, these 10 cities received \$7.5 billion.

Greatest Expansion

The expansion has been greatest in the highly industrialized states of the East. Ohio heads the list, followed in order by Pennsylvania, Michigan, Illinois, and New York. The only states outside this region to receive substantial expansion of facilities are California, Washington, and Texas. Within these states there has been a further concentration in the areas which before the war were highly congested.

Just as considerations of speed and efficiency were paramount in determining the location of new plants erected, so were they the important factors in the distribution of war contracts. The large corporations, with adequate facil-



Abundant electric power supplied by the generators in great dams is one of the resources with which the West plans to make industrial progress.

ities, were given the lion's share of the orders for war materials of all kinds.

During the first year of active war production, 86 per cent in value of all government war contracts went to 100 corporations. While the percentage declined later on, these giant corporations continued to receive the greater share of the contracts—more than 70 per cent of the total for the period between June 1940 and March 1943.

The result has been that hundreds of thousands of small businesses have disappeared from the American economy. Between the time of Pearl Harbor and the defeat of Germany, well over half a million small businesses were forced to cease operations. Many of these were unable to convert to war production. Others were forced to close down because they could not obtain materials or manpower to continue. Whatever the reason, the number of casualties among small businesses has been staggering.

While no one criticizes those in

charge of the war production program for the policies followed, students of economic problems have expressed concern over this concentration of industrial power in certain areas and in a relatively small number of corporations. They feel that if the country is to have a sound economic development in the future the trend toward concentration must be reversed and decentralization of industry must be encouraged.

Even before the war, large sections of the country had failed to attain economic balance. A special Senate committee recently made an exhaustive study on the subject and came to the conclusion that only 10 states had achieved a fair degree of economic balance. The committee described as "overpopulated and overdeveloped" the following states: Massachusetts, Connecticut, Rhode Island, New York, New Jersey, Delaware, Maryland, Pennsylvania, Ohio, Michigan, and Illinois. These states have less than 10 per cent of the country's land area, but before the war they had 65 per cent of its manufacturing, 43 per cent of its population, and 56 per cent of the nation's total income.

Inasmuch as most of the government-financed war plants were built in these states, the gap between them and the less highly developed states has been considerably widened. One of the results has been an increased shift of population from the rural areas and small towns of the country to the larger metropolitan centers.

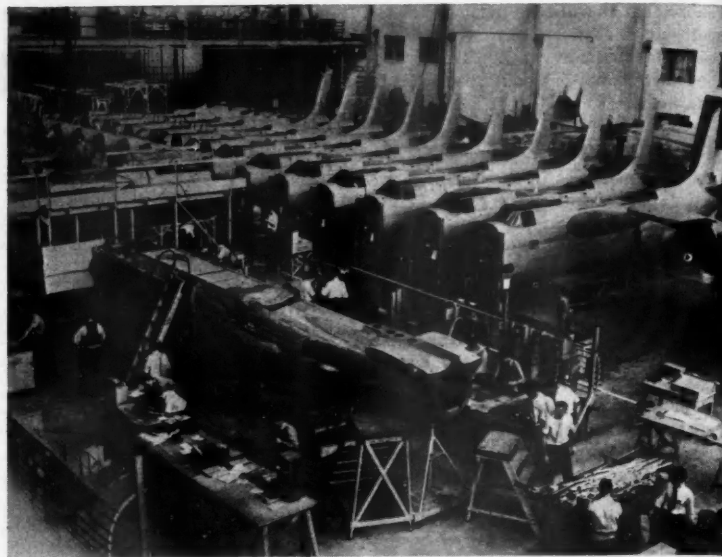
Plans for Future

Now that the nation is embarking upon its program of partial reconversion, considerable attention is being given to the future of these war plants. Many of them can be readily converted to the production of goods for civilian consumption. It is reasonable to assume, for example, that the synthetic rubber plants which have been erected and put into operation can be used for peacetime production. But many of those which have been producing articles with no civilian use may not be reconverted once the war is over.

To those sections of the country which were already highly industrialized before the war, the closing down of war plants will not cause serious dislocations. However, to those regions whose entire economies have been altered as a result of the war industries the future is less certain. This is especially true of certain sections of the West which have felt the stimulating effect of war production relatively more than any other part of the nation.

At the moment, the people of the West are particularly concerned over the future of the steel industry which the war has brought them. Heretofore the western states have depended for their steel upon the mills of the East and South. But to meet its tremendous needs for steel, the government authorized the construction of steel mills in the West. The most important of these are the Geneva Steel Company's plant, located near Provo, Utah, and the Fontana plant, which is in the Los Angeles area of California.

The Geneva plant is operated for the government, without profit, by the United States Steel Corporation. Built at a cost of \$194 million, it is



An airplane plant in California

one of the nation's most modern steel mills and has played an important role in meeting the steel requirements of the West Coast shipbuilding industry.

The Fontana plant is less pretentious. Valued at \$147 million, it was built by Henry J. Kaiser, with funds borrowed from the Reconstruction Finance Corporation. It has been operated with the daring, imagination, and efficiency for which Kaiser has been noted in other lines of production.

The West sees in Geneva and Fontana a symbol of its future industrial growth. Far-sighted western leaders have long had their eyes upon these steel mills and have been working to keep them in operation after the war. They feel that with a flourishing steel industry in their midst they have the opportunity to establish scores of other industries which depend directly upon steel.

The fate of the Geneva and Fontana plants has not yet been determined. With the shipbuilding industry of the West Coast still requiring the steel of these mills, they are likely to continue in operation until victory in the Pacific is in sight. The West is determined to do all it can to turn these plants to peacetime production. It will fight any attempt to close down the plants once the war needs have ceased to exist.

One of the big questions to be decided in connection with the disposal of the West's war-born steel industry relates to its future ownership. Shall the plants be sold to one of the powerful eastern steel companies or shall the plants be turned over to independent interests in the West? Throughout the West there is a strong feeling that

its steel industry should be owned and operated by westerners. If one of the big eastern companies were allowed to purchase the plants, it is felt, they would not be operated in the interest of the West.

Inasmuch as Congress must approve the sale of all war facilities of the size of the Geneva and Fontana plants, stout opposition is certain to develop if U. S. Steel or any of the big eastern concerns attempts to purchase the mills. There is a large bloc of congressmen who are strongly opposed to the concentration of industrial power in the hands of a few companies and who would welcome western independents who could challenge the dominant position of the big steel companies. There is a possibility that Kaiser may attempt not only to continue operation of the Fontana plant but also to purchase the Geneva steel works.

Other Industries

In addition to the steel industry, the West has achieved a position of importance in the production of other items. Nearly one-half of the country's aluminum output for war came from the West, as did about one-third of the production of magnesium. Many chemical industries were established throughout the region. Western industrialists are making plans to convert many of the war plants to peacetime production.

While the West can never hope to challenge the industrial supremacy of the East, it does hope to improve its position in the postwar period. With an abundance of raw materials and electric power provided by the great dams scattered throughout the region, the West sees prospects of a new era of industrial expansion. The booming war industries have given the people of the West a taste of the prosperity which comes from expanded economic activity. If they can prevent it, the people have no intention of seeing their war production centers transformed into blighted areas and ghost towns.

If the vision of the West is realized in the years following the war, the trend of recent years toward concentration of economic power may be reversed. As pointed out earlier, this trend, already strong before the war, has been greatly accentuated by the war. It has now reached a point which many people consider extremely dangerous. Perhaps the biggest issue to be faced by America in the postwar years will be that of determining the direction of its economic development.



Victory ships under construction on the West Coast

Possible Changes in Labor Machinery

THE chorus of approval which greeted the appointment of Secretary of Labor Lewis B. Schwellenbach grew out of the belief that he would be able to coordinate labor activities within the government and build up the department which had steadily lost ground during twelve years under the direction of Frances Perkins. Evidence that the belief was founded on fact was soon forthcoming.

Last week the new secretary gave notice that he had not come to Washington to direct the activities of an impotent executive department. Within a month of his taking over as the head of the most recently created department represented in the President's cabinet, Schwellenbach had made it clear to Congress and to the nation that he would do his best to see that changes would be made to enable him to do the job assigned him and to do it thoroughly.

The secretary of labor, according to the Congressional Directory, is charged with the duty of "fostering, promoting, and developing the welfare of the wage earners of the United States, improving their working conditions, and advancing their opportunities for profitable employment." In addition he is empowered to act as mediator in labor disputes whenever he feels that the interests of industrial peace may be served by such action. Reports on labor conditions and production, labor controversies here and in other countries, enforcement of certain laws and regulations dealing with wages and hours, and child labor, health, and safety are all legally outlined responsibilities of the secretary.

When Mr. Schwellenbach took office he found the Department of Labor still struggling to discharge these duties, but in many cases deprived of the organization with which to do the job. Only six sections remained under the secretary's direct control—the United States Conciliation Service, the Division of Labor Standards, the Wage and Hour and Public Contracts Division, the Bureau of Labor Statistics, the Children's Bureau, and the Women's Bureau.

Actually the physical organizations needed to carry out the duties enumerated above are embodied in agencies scattered throughout the government. Some are autonomous, while others are set up as parts of war agencies. Some functions which would

seem logically to belong to the Labor Department are carried on by other executive departments.

Secretary Schwellenbach is in a particularly good position to effect the changes which he feels need to be made in order to enable him to function effectively in what could easily be one of the most important jobs in the government of the United States. In the first place, he is keenly aware of the potentialities of his new assignment. Otherwise he would not have been willing to give up his lifetime appointment as Federal District Judge of the Eastern District of Washington State. In addition, he not only has many friends in Congress, but he is also one of the men closest to President Truman.

Harry Truman and Lew Schwellenbach were freshmen senators back in 1935 and were part of a group known as the "young Turks" because of their unrestricted warfare on the enemies of the New Deal. Schwellenbach won a reputation as a sharp-tongued, outspoken liberal, who even as a newcomer to "the most exclusive club in the world" did not hesitate to bait such formidable veterans as Huey Long of Louisiana. The battles which Truman and Schwellenbach fought together formed a bond between them so strong that when Truman became President he immediately called his old friend to Washington, and according to some reports, offered him the job of "Harry Hopkins" of the Truman administration.

For whatever reasons he consented finally to take the job which had brought Frances Perkins nothing but criticism, Schwellenbach will probably be given a free hand to assume administrative authority over many of the scattered groups dealing with labor affairs. Most important to the new secretary's way of thinking are the National War Labor Board and the National Labor Relations Board. Although he insists that the two agencies would operate much as they now do and that he would not influence policy determination, Schwellenbach would integrate administrative functions with the other activities of the Labor Department, thus speeding up procedure.

The rehabilitation of the Labor Department cannot be accomplished overnight, and no one who knows the reputation Mr. Schwellenbach has established as an able administrator expects



The Department of Labor building

U. S. DEPT. OF LABOR

him to attempt any such rash maneuver. Integration of labor agencies within the department will remove functions from other agencies which will vastly curtail their duties, and in some instances even threaten their existence.

The fact is, in the opinion of some critics, that the Labor Department has been losing ground steadily even before the war. Some accused the late President Roosevelt of intentionally weakening the position of the Secretary of Labor, of refusing to appoint an able administrator who would be able to oversee the whole labor field, in order to eliminate potential political competition. These critics point to the fact that the growing strength of labor in this country would give a tremendous advantage to any nationally-known figure who won the support of the various factions within labor ranks by efficiently administering government relations with labor.

Whether or not there is justification for such accusations, it cannot be denied that the labor functions of the government have been decentralized to the point where administrative efficiency has been impossible. The Labor Department has come to function for the most part as a weak advisory body and a fact-finding or statistical agency. Although it has been rumored that Secretary Schwellenbach has been critical of the Bureau of Labor Statistics, he has publicly denied these reports, and most authorities will agree that this part of the depart-

ment has been one of the most effective in carrying out its assignment.

This atrophy of the Labor Department did not come about because of lack of interest or new ideas on the part of the former secretary, Frances Perkins. Even those who were most insistent on her removal admit that she worked consistently for the creation of administrative organizations which would facilitate the discharge of the duties assigned to her department. Unfortunately, almost without exception, however, these organizations were duly set up and exempted from the authority of the Secretary of Labor. Some became autonomous, as, for example, the National Labor Relations Board, the National War Labor Board, the United States Employment Service, and the Social Security Board.

The rejuvenated Labor Department as it is visualized by the new secretary would be a much larger organization than the one which now takes up less space in the Congressional Directory than does any other executive department. The present staff is estimated at about 11,000 employees in all. If reorganized according to Secretary Schwellenbach's recommendations, the figure would jump to 40,000 largely through transfer of personnel from other agencies.

Most seriously affected of existing government administrative organizations would be the War Manpower Commission. There have been many complaints throughout the war that virtually all its activities were legitimately within the scope of the Department of Labor. Should the apprentice-training program and the plant-training program now being carried on by the War Manpower Commission be taken over in the proposed reshuffle, the war agency would be doomed immediately.

Other agencies which may possibly be transferred to the Labor Department as a result of the new secretary's recommendations will include the United States Employment Service, the Unemployment Compensation Division of the Social Security Board, and the Labor Requirements Division of the War Production Board. Whether or not the Fair Employment Practices Committee should be a part of the department has not yet been decided, but Mr. Schwellenbach hopes to make a recommendation on the matter within the next month.



LABOR'S BIG THREE. Watching the current moves to reorganize the Department of Labor are (left to right) Philip Murray of the Congress of Industrial Organizations, William Green of the American Federation of Labor, and John L. Lewis of the United Mine Workers.

President Truman's Administration

AFTER he became President of the United States, Harry S. Truman let some weeks pass before he did much to change the Roosevelt administration—the men and women who were a part of the late President's official family. This occasioned no surprise, because it was obvious that the new chief executive wanted to feel his way, and he also wished to leave certain officials undisturbed while they were in the midst of important assignments. Edward R. Stettinius, Jr., remained as secretary of state, for ex-

senator from the state of Washington.

In addition to these four who know the halls of Congress from having served there, the Truman-selected cabinet members include Postmaster General Robert E. Hannegan and Attorney General Tom C. Clark. Each has won friends in the House and Senate, and Hannegan, as chairman of the Democratic National Committee, is in frequent touch with Democratic senators and representatives.

That these six men had demonstrated, in one way or another, their

however, that the Senate did him the honor of confirming his appointment without hearings, just as it had acted in the earlier case of Secretary of State Byrnes.

It is not certain what will happen to the remaining members of the cabinet which Truman inherited from Roosevelt. The one most frequently mentioned as being the next to go is Secretary of the Interior Harold Ickes, who has engaged in so many battles during his public career. His chief assets, of course, are his reputation

and Truman has shown a disposition to delegate real authority. He gives his aides responsibility, assures them of his backing, and expects them to go ahead with their jobs. This is in marked contrast to the manner in which President Roosevelt conducted affairs. So often it was apparent that Roosevelt was himself shouldering many burdens and decisions which ordinarily would have belonged to department heads. It thus became commonplace to hear it said that "Roosevelt is his own secretary of state, his own secretary of the treasury," and so on.

This gave rise to criticism, whether justified or not, that we had too much one-man government; that no one man could possibly expect to undertake the many duties which Roosevelt seemed to delegate to himself; that the national government would be better off if the President would select competent aides and let them go ahead without turning to him so frequently for decisions and solutions to problems.

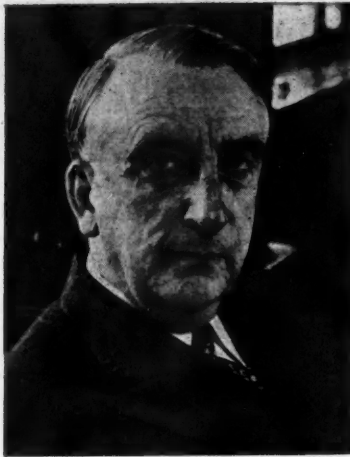
It is scarcely necessary to remark on the contrast between the two men with respect to their attitude toward Congress. Franklin D. Roosevelt could be conciliatory or he could provoke a fray. In the last months of his life, he had gone to his greatest lengths to obtain a favorable atmosphere—recognizing that in the months ahead he would require congressional approval for United States membership in a world organization, and for other measures associated with world cooperation. Had he lived, it may be that he would have secured congressional cooperation on these matters just as readily as Harry Truman has.

It is pointed out, furthermore, that President Truman has never gone to bat in earnest for major domestic measures, such as increased unemployment insurance, fair employment practices legislation, and similar bills. He has recommended action on such questions, to be sure, but in such a way that Congress could take its own time and do as it pleased.

Some observers are therefore of the opinion that Truman will enjoy harmonious dealings as long as he is easy-going with Congress, and does not become insistent on measures dealing with domestic problems. But the minute he bends unrelenting efforts to obtain such legislation, they say, he will be in the same position with Congress that Franklin Roosevelt—as well as earlier "strong" Presidents—often occupied.



James F. Byrnes
Secretary of State



Fred M. Vinson
Secretary of the Treasury



Tom C. Clark
Attorney General

ample, until the San Francisco Conference was brought to a close.

Today, however, much of the Roosevelt administration is gone, and in its place is an official family chosen by Truman. The changes are still continuing. Some major offices may yet go to new men, and a host of positions below the rank of cabinet members are being filled by Truman appointees. It is therefore possible to pass an early judgment on some of the methods which President Truman is following in the management of government.

As is now well known, the President attaches the highest importance to the matter of cooperating with Congress. He is not necessarily disposed to be a "weak" President, under the dominance of Congress, but neither is he seeking to be the kind of "strong" President who attempts to have his own way irrespective of congressional opinion.

In connection with this effort to work with Congress, Truman has selected four new cabinet members who, like himself, have had legislative experience. James F. Byrnes, the new secretary of state, once represented South Carolina in both houses of Congress, and he is especially remembered for those years which he spent in the Senate. Fred M. Vinson, successor to Henry Morgenthau as secretary of the treasury, helped prepare tax and appropriations bills when he was a representative from Kentucky and a member of the House Ways and Means Committee.

Before stepping in as secretary of agriculture, Clinton P. Anderson was a representative from New Mexico. His careful leadership of a congressional investigation into the food problem is credited with having brought his name to the fore when Truman got ready to replace Claude Wickard in the Department of Agriculture post. Secretary of Labor Lewis B. Schwollenbach was once a

knowledge of congressional ways was an important mark in their favor, but not the only standard by which Truman chose them. He is also selecting men whom he considers to be definite political assets—some by reason of having demonstrated their ability to win elective offices and some who have political followings.

Stettinius, for example, possessed neither asset, and that was one of the reasons for replacing him, together with the fact that Democratic leaders did not believe him qualified to succeed to the Presidency in the event that anything should happen to Truman. Byrnes, by contrast, is a seasoned politician, and has an important following in the party.

Morgenthau is another who, it was judged, did not add political luster to the Truman cabinet. He came into office solely on the strength of his friendship with Roosevelt, and on more than one occasion he drew fire from certain members of Congress. His successor, Mr. Vinson, is so well and favorably known in Congress,

for efficiency and honesty, and a fairly large group of supporters in the western states which contain much of the public land administered by the Department of Interior.

Secretary of Commerce Henry Wallace is believed to be fairly secure, due to his large following in the liberal wing of the Democratic Party. The President, it is said, would not wish to risk alienating these supporters by replacing Wallace.

Secretary of War Henry Stimson and Secretary of the Navy James Forrestal are likewise considered to be safe in their positions, at least until the war with Japan is over. The public identifies them as a part of the civilian-military team which has been successful in the conduct of the war, and nothing would be gained by replacing them at this time. The only possible reason for a change would be that Mr. Stimson, in his late seventies, might wish to retire now that he feels the war is entering its last stages.

In all his selections—both those mentioned here, and others—Presi-



Robert E. Hannegan
Postmaster General



Clinton P. Anderson
Secretary of Agriculture



Lewis Schwollenbach
Secretary of Labor

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